

**MINUTES OF REGULAR MEETING
OPEN SESSION
ILLINOIS GAMING BOARD
JULY 16 & 17, 2007
JOLIET, ILLINOIS**

NOTE: ITEMS IN **BOLDFACE PRINT** REFLECT OFFICIAL BOARD ACTIONS

On Monday, July 16, 2007 a Regular Closed Session Meeting of the Illinois Gaming Board ("Board") was held in the conference room of the Gaming Board Offices on the 3rd floor at 160 N. LaSalle, Chicago, Illinois. On Tuesday, July 17, 2007 the Open Session of the Regular Board Meeting took place at Harrah's Casino in Joliet, Illinois.

On Monday, July 16, 2007 the following Board Members were present: Chairman Aaron Jaffe, Members Charles Gardner, Eugene Winkler, James Sullivan and Joe Moore.

At 9:35 a.m. on Monday, July 16, 2007 Chairman Jaffe called the meeting to order. Pursuant to Section 2(c), paragraphs (1), (4), (11), (14) and (21) of the Open Meetings Act and Section 6(d) of the Riverboat Gambling Act, Member Gardner moved that **the Board retire to Closed Session to discuss the items listed under Closed Session on today's agenda and relating to the following subject matters:**

- 1. Pending Litigation and matters involving probable litigation;**
- 2. Investigations concerning applicants and licensees;**
- 3. Personnel matters;**
- 4. Closed session minutes; and**
- 5. Evidence and testimony presented in disciplinary hearings.**

Member Winkler seconded the motion. The Board approved the motion unanimously by roll call vote. The Board remained in Closed Session until approximately 12:45 p.m. and recessed until Tuesday, July 17, 2007 at 10:25 a.m. Chairman Aaron Jaffe, Board Members Charlie Gardner, James Sullivan and Eugene Winkler were present. Member Moore participated by telephone. The Board went into Open Session at 10:35 a.m.

Roll call was taken for the start of the open session.

APPROVAL OF MINUTES -

Member Moore moved that **the Board approve the closed session minutes of its Regular Meeting of June 25 and 26, 2007, and the open session minutes of the Regular Board meeting of June 26, 2007.** Member Gardner seconded the motion. The Board approved the motion unanimously by roll call vote.

BOARD MEMBER COMMENTS -

Member Moore commented on the supplier diversity fair that took place at Empress Casino. He went on to commend them on a job well done, the fair was put together well and he had a chance to talk with several suppliers who stated that from these fairs, they did obtain contracts for their business. He also commented on Harrah's hiring of an intern.

ADMINISTRATOR'S COMMENTS –

Mark Ostrowski commented on the diversity fair at the Empress. Great turnout and well put together. Mark also stated that our September meeting will be in East St. Louis, IL. Mark also made the announcement that Erin Alexander will be our new Deputy Chief Counsel.

PUBLIC COMMENTARY –

- Tom Swoik, Executive Director, Illinois Casino Gaming Association

PRESENTATION TO THE ILLINOIS GAMING BOARD

Good morning I am here today to discuss the recent Vendor Diversity Fair held last Thursday at the Empress Casino in Joliet and the upcoming AGA's Responsible Gaming Education Week August 6-10.

I believe the Vendor Diversity Fair, sponsored by the eight members of the Association was a huge success. The Fair was held in cooperation with the Chicago Minority Business Development Council.

We had sent out nearly 800 invitations to minority and female owned businesses from a list provided by the Chicago Minority Business Development Council, as well as names provided by my members, and from cards we collected and contacts we made at the Navy Pier event. Additionally, we advertised in several newspapers, The Chicago Defender, Hoy and the Joliet Herald. We had 53 vendors present at the Fair.

I was very impressed when I walked into the Empress Ballroom and saw the whole room filled with tables and vendors. I personally stopped at each vendor's table and introduced myself, wished them luck and asked how it was going. Everyone was very enthusiastic and several felt they had made some valuable contacts. Several also indicated they had already received new orders due to our previous events.

Member Moore was present and made a few opening comments and we appreciate him taking the time to join us.

One thing I noticed toward the end of the event that was very heartening was the fact that many of the vendors were interacting with each other and discussing which of their products or services they could use to help each other. Additionally, we have a few other non-minority vendors attend who also were making valuable contacts. One for example was Graybar Electric

who indicated they had found a company that handled bearings and other mechanical devices that they from time to time needed to fulfill contracts and believed they would start subcontracting with the minority vendor.

This is the first of two events we have planned for this year, the second will be in the fall most likely at the Argosy Alton Casino.

Secondly, as I discussed at your last meeting the American Gaming Association created Responsible Gaming Week in 1998 to increase awareness of problem gambling among gaming employees and customers and to promote responsible gaming nationwide. The week of August 6-10, 2007, will be the tenth year for this event. This year the theme will be "Responsible Gaming: In your own words" and will again be symbolized by orange wristbands similar to those made popular by Lance Armstrong, stating "KEEP IT FUN".

Two years ago during Responsible Gaming Education Week the Empress Casino held a seminar for counselors and other professionals working with problem gamblers. The one-day training session provided by Bensinger DuPont and Associates provided over 120 participants with an opportunity to upgrade their training and receive continuing education credit hours. The training was provided free of charge.

This year the Association will sponsor the event that will be held on Wednesday August 8, from 9 to 4 again at the Empress. This year the invitations have been expanded to statewide and we have sent out 2160 invitations. We have room for 200 attendees.

This year the emphasis will be placed on senior citizens and youths under 21.

Again, continuing education credits will be given and the training will be free to the participants. I would like to invite you and staff to attend part or all of this training.

Thank you for the opportunity to discuss these events.

Member Gardner stated that he will attend and so will Member Winkler.

OWNER LICENSEE ITEMS –

a. Items for Initial Consideration –

- Harrah's Casino Joliet – License Renewal

Presentation by Joe Domenico – GM – Harrah's Joliet

Good Morning - Chairman Jaffe, members of the Board, Mr. Ostrowski, Mr. Fries and the staff of the Illinois Gaming Board, I want to welcome you to Harrah's Joliet as it gives me great pleasure & pride to stand before you in representing the outstanding 1400 employees of Harrah's Joliet and our Corporate Parent - Harrah's Entertainment Inc. By now, I hope you recognize the members of our Senior Team that have been with me over the

last 4 years - AGM Darren Vandover, VP of Finance Chris Reilly, VP of Marketing Doug Lima, VP of Casino Marketing Mike Goff, VP of Human Resources Karen Batenic & Illinois Chief Legal Counsel Tom Thanas. We have 2 special visitors today, Harrah's Entertainment's Senior Vice President and Chief Legal Counsel Steve Brammell & our Vice President of Diversity Fred Keeton and members of the Joliet Management team in the audience. One last introduction is for our Purchasing Manager Scott Kozlowski. As you may recall, Scott has been recognized as the "2006 Outstanding Buyer of the Year" by the Chicago Minority Business Council and was recently honored at their annual dinner.

It was only a short time ago just 2 years that I stood before requesting the opportunity to receive a 4-year unconditional license renewal. Well - I am back. Actions Speak Louder than Words. Over the course of the last 2 years, Harrah's Joliet has continued to demonstrate our Commitment to the Community, Commitment to our Employees and Commitment to our Customers - this is what is defined as the Harrah's Code of Commitment. You have witnessed continued Capital investment in our facility, over \$1 million in direct community contributions, and a staff of outstanding Service Providers that has allowed our business to sustain double-digit gaming revenue growth over the last 2.5 years. Furthering our commitment to Social Responsibility, we can demonstrate significant improvement in our purchasing practices and results with minority and woman owned business enterprises, and a workforce that is as diversified as the community we serve. You have seen a business that manages with the utmost in integrity and makes the regulatory process a part of our culture. I hope that you can understand my passion in requesting a 4-year unconditional license renewal. We have a short video that further exemplifies our accomplishments followed by a few short words from our Vice President of Diversity Fred Keeton. After Fred is done with his comments, I would be glad to answer any questions you may have.

Power Point Presentation then commenced

Vice President of External Affairs and Chief Diversity officer addressed the Board. He stated how Harrah's strives to impact all. We focus on human resources, supplier diversity, community reinvestment, and marketing diversity. Harrah's replicates the kind of success that Harrah's Joliet is experiencing. Harrah's has senior leadership, we are out in the community, we stress business contacts, we try and do well; our social investment strategy is real.

Member Gardner stated that at the management level Harrah's could improve on the diversity level. He also asked if there are any concerns on the pending buyout. Joe Domenico stated that it is a change in ownership not a change in strategy.

Member Moore stated that he would like to thank Harrah's Chief Diversity Officer for attending the meeting, it showed the level of commitment that he has for Harrah's.

b. Items for Final Action –

- MGM – Request for approval of Fifth Amended and Restated Loan Agreement

Based on a review of staff's investigation and recommendation, Member Gardner moved, **pursuant to section 230(d) of the Board's Adopted Rules, to approve MGM's request for IGB approval of Nevada Landing Partnership as a Subsidiary Guarantor of the aggregate principal amount of \$750 Million of MGM's 7.5% Senior Notes due in 2016, which were sold by MGM in May, 2007 through private placement and delegate to the Administrator final approval of such transaction.**

Member Winkler seconded the motion. The Board approved the motion unanimously by roll call vote.

- Casino Rock Island – Approval of New Proposed Casino Project

Ron Wicks, Gary Buettner, Jim Jumer, Jim Milne, corporate attorney John Elias and our lender's counsel, Jim Montana.

Ron Wicks stated that they have supplied a "boat load" of information.

Chairman Jaffe stated that our staff is going through all the information provided. A Special Meeting will take place on the 23rd of August in reference to the new casino project.

Member Gardner stated that there is a lot of information to go through, he also stated that Doug Bybee and his audit staff have done a very good job in going through all the information that has been supplied. Member Gardner stated one specific comment referencing the pledge agreement; there is an understanding that there will be no transfer of ownership interest in Casino Rock Island without approval by the Gaming Board of the transferee at that time, and that due diligence will be a part of the approval at that time. Gary Buettner stated if you look at the pledge agreement it is replete with language that says precisely that. There can be no action pursuant to the pledge agreement with respect to the collateral or security of anything else without permission of the Gaming Board.

Member Gardner also stated that there is a minor issue, the contingent interest portion of that second lien; is just that, it is a kicker if you will it has no ownership position and no warrants involved. He also went on to state there are a couple of minor things, market studies; can you capture 35% of the market at an earnings ratio of 6.5% . Member Gardner stated that he looks forward to being at the grand opening. Chief Counsel Michael Fries stated that in addition to the pledge agreement in the transfer of ownership, there also will be no transfer or mode of control of the day-to-day operation without Gaming Board approval. Jim Montana stated that it is understood. Member Gardner stated that assuming there is approval Monday of the project, the lender's commitments are in place beyond that date; is that correct. Mr. Montana stated that the marketing conditions can change, and hopefully the sooner the approval the better. Member Gardner asked about the GMP contract, and Gary Buettner stated that the GMP contract is good through the end of the month. It is the company's intention to close at the end of August.

Member Winkler stated that he does not understand their market analysis. To him it looks like that there is more hope than reality. Gary Buettner stated that the market group's original expectations are being used. Very conservative approaches. The project is very much like the successful project 60 miles away in Iowa. Our property type will be different. It was a benefit to see the other property, and how simple business was attracted. We will do the same. We will have a much wider radius of customer base. We will have a one floor facility, hotel, restaurants and close in parking. These will act as a great advantage.

Member Gardner asked if any information can be supplied to the Board on the Iowa facility.

Gary Buettner stated that they can furnish the information.

Member Gardner stated that the accrued interest on the second mortgage; he went back to the 70's as an example; how the interest rates could not be afforded. The interest on the second mortgage is consistent with Member Winkler's concerns with those projections; just be aware.

- Harrah's Metropolis Casino & Hotel – Brandy Baltz, Internal Audit Manager – Level One

Based on a review of staff's investigation and recommendation, Member Winkler moved that **the Board approve Brandy J. Baltz, Level One Occupational Licensee, in the position of Internal Audit Manager at Southern Illinois Riverboat Casino Cruises, Inc., d/b/a Harrah's Metropolis Casino & Hotel.** Member Moore seconded the motion. The Board approved the motion unanimously by roll call vote.

- Empress Casino – Joseph McBride, Assistant General Manager – Level One

Based on a review of staff's investigation and recommendation, Member Moore moved that **the Board approve Joseph McBride, Level One Occupational Licensee, in the position of Assistant General Manager at the Empress Casino in Joliet, Illinois.** Member Gardner seconded the motion. The Board approved the motion unanimously by roll call vote.

OCCUPATIONAL LICENSES APPROVALS & DENIALS - Level 2's & 3's

Based on staff's investigation and recommendation, Member Winkler moved that **the Board approve 17 applications for an Occupational License, Level 2, and 123 applications for an Occupational License, Level 3.**

Further, Member Winkler moved that **the Board direct the Administrator to issue a Notice of Denial to the following individuals who received notice that staff intended to recommend denial and either did not respond or provide additional information to rebut the recommendation.**

1. **Racqueal S. Woods;**
2. **Carlton D. Underwood;**
3. **William H. Jenkins;**
4. **Donna L. Carrigan; and**

5. Raymond Mercado

Member Gardner seconded the motion. The Board approved the motion unanimously by roll call vote.

- Member Winkler moved that **the Board approve the application for Occupational License, Level 3, of Dorothy Zietara.** Member Gardner seconded the motion. Member Moore accepted the motion. Chairman Jaffe objected the motion. The motion passed 3 to 1.

PROPOSED COMPLAINTS AND DISCIPLINARY ACTIONS –

- Robert Fellows, Occupational Licensee

Based on staff's investigation and recommendation, Member Gardner moved that **the Board issue a Disciplinary Complaint against Robert Fellows, an occupational licensee, because he created false entries on pit tracking cards, related to gaming activity, for a patron.**

Further, Member Gardner moved that **the Board revoke Robert Fellows' occupational license. Said action to take affect twenty-one (21) days from the date of service of the complaint unless the licensee files an Answer within that time period.** Member Moore seconded the motion. The Board approved the motion unanimously by roll call vote.

- Sandra Henley, Lashunda Jones and Tena Meeks, Occupational Licensees

Based on staff's investigation and recommendation, Member Moore moved that **the Board issue a Disciplinary Complaint against Sandra Henley, Lashunda Jones and Tena Meeks, occupational licensees, for using their Harrah's corporate credit cards for personal use and for falsifying receipts associated with their personal use of the credit cards.**

Further, Member Moore moved that **the Board revoke Sandra Henley's, Lashunda Jones' and Tena Meeks' occupational licenses. Said action to take affect twenty-one (21) days from the date of service of the complaint unless the licensees file an Answer within that time period.** Member Gardner seconded the motion. The Board approved the motion unanimously by roll call vote.

- Kelly Jean Pettigrew, Occupational Licensee

Member Gardner stated that Ms. Pettigrew also received a present from a patron; a watch and shirt, and also had complimentary coupons for food.

Member Moore asked if the General Manager was there, and Joe Domenico stated that this occurred under Mike Crider's watch at Metropolis.

Based on staff's investigation and recommendation, Member Moore moved that **the Board issue a Disciplinary Complaint against Kelly Jean Pettigrew, an occupational licensee, because she knowingly rated a patron's roulette play higher than his actual play.**

Further, Member Moore moved that **the Board revoke Kelly Jean Pettigrew's occupational license. Said action to take affect twenty-one (21) days from the date of service of the complaint unless the licensee files an Answer within that time period.** Member Winkler seconded the motion. The Board approved the motion unanimously by roll call vote.

- Mary June Patterson, Occupational Licensee

Based on staff's investigation and recommendation, Member Moore moved that **the Board issue a Disciplinary Complaint against Mary June Patterson, an occupational licensee, because on numerous occasions she rated a patron's play higher than his actual play.**

Further, Member Moore moved that **the Board revoke the license of Mary June Patterson. Said action to take affect twenty-one (21) days from the date of service of the complaint unless the licensee files an Answer within that time period.** Chairman Jaffe seconded the motion. Member Gardner asked if Ms. Patterson is still employed. Chief Counsel Fries stated that she is employed.

Members Gardner and Winkler objected the motion. The motion failed.

- Kimberly Elaine Evans, Occupational Licensee

Based on staff's investigation and recommendation, Member Winkler moved that **the Board issue a Disciplinary Complaint against Kimberly Elaine Evans, an occupational licensee, due to her creating a computer program to intentionally transfer non-authorized funds to her personal bank account and the actual transfer of funds to her personal bank account.**

Further, Member Winkler moved that **the Board revoke the license of Kimberly Elaine Evans. Said action to take affect twenty-one (21) days from the date of service of the complaint unless the licensee files an Answer within that time period.** Member Gardner seconded the motion. The Board approved the motion unanimously by roll call vote.

Members Winkler and Gardner Member Winkler stated that the casinos need to take into account the safety of the computer systems. Member Gardner commented on the fact that it took three months before detection of the above matter; there seems to be a weakness somewhere and we need to know how and why.

- Donald West, Occupational Licensee

Member Moore stated that it is ridiculous what is happening here, and he hopes that the General Manager's do due diligence.

Based on staff's investigation and recommendation, Member Moore moved that **the Board issue a Disciplinary Complaint against Donald West, an occupational licensee, because he lied to IGB staff and falsely recanted a statement or originally provided a false statement during the course of an investigation.**

Further, Member Moore moved that **the Board revoke the license of Donald West. Said action to take affect twenty-one (21) days from the date of service of the complaint unless the licensee files an Answer within that time period.** Member Winkler seconded the motion. The Board approved the motion unanimously by roll call vote.

ADJOURNMENT

At 11:55 a.m. Member Gardner motioned for adjournment while Member Winkler second the motion.

Respectfully submitted,

Mary C. Boruta
Secretary to the Administrator